



State of Washington
PUBLIC DISCLOSURE COMMISSION

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9:30 a.m.
May 24, 2012

MINUTES – REGULAR MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Barry Sehlin, Chair
Jennifer Joly, Vice Chair
Amit Ranade, Member
Jim Clements, Member

STAFF PRESENT

Andrea McNamara Doyle, Executive Director
Nancy Krier, General Counsel
Lori Anderson, Communications & Training Officer
Phil Stutzman, Director of Compliance
Kurt Young, Compliance Officer
Kristin Murphy, Political Finance Specialist 2
Michael Smith, Chief Information Technology
Linda Dalton, Sr. Assistant Attorney General
Jana Greer, Confidential Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Barry Sehlin at 9:30 a.m. in the Evergreen Plaza Building, Room 206 Olympia, Washington.

Opening Comments

Commissioner Sehlin called the meeting to order. He welcomed Maurice King, the PDC summer law clerk.

Citizen Comments

No citizen comments or concerns were expressed.

Commissioner
Comments/Concerns

No comments or concerns were expressed.

Minutes

Motion 12-36

Moved by Commissioner Clements, seconded by Commissioner Joly that:

The Commission adopt the minutes of April 26, 2012.

The motion passed unanimously.

Interpretations

Interpretation No. 95-02 (Transfers of candidate surplus funds to bona fide political party and caucus political committees.)

Nancy Krier and the Commission continued a discussion from the April 26, 2012 meeting regarding the proposed updates to Interpretation No. 95-02 (Transfers of candidate surplus funds to bona fide political party and caucus political committees). The proposed changes were identified as part of an ongoing review of interpretations due to recodification of RCW

Motion 12-37

Interpretation's No. 00-02
(Guidelines for internet
contributions);
07-04 (Campaign activities on the
internet);
12-XX (Contributions via text
message); and
95-05 (Fundraising via 900
numbers.)

Interpretation No. 00-03 (Use of
Judicial robes and courtrooms by
district and municipal court judges.)

Rules

Public Records Rules Discussion

42.17.

Moved by Commissioner Joly, seconded by
Commissioner Clements that:

**The Commission approve the recommended
amendments to the interpretation 95-02.**

The motion passed unanimously.

Ms. Krier explained the Commission's current
interpretive statements regarding campaigning and the
internet, asking the Commission if there is a need or
desire to amend the identified interpretations in light of
evolving technologies and resulting changes in
campaign activities.

She discussed current laws and provided examples of
emerging uses of technology as it relates to
campaigning.

The Commission determined that there is a potential
need for revision and asked that staff seek stakeholder
input regarding the most pressing areas where current
laws or regulations are inadequate. The Commission
also requested a simple chart/report that identifies the
activities that present possible conflicts or gaps in the
existing regulatory system.

Ms. Krier presented staff proposed updates to PDC
Interpretation 00-03 (Use of robes in campaign literature
by district and municipal court judges; Use of
courtrooms in campaign literature by district and
municipal court judges.)

Staff recommended approval of the proposed
amendments to Interpretation 00-03, which would
update citations and references but not make
substantive changes to the Commission interpretation
adopted in 2000.

The Commission asked Ms. Krier to provide more
background information regarding the Commission's
deliberations leading up to the 2000 interpretation,
including information received from the judiciary.

The Commission will review this interpretation at a
future meeting.

Ms. Krier continued with the ongoing discussion of
updating the agency's public records rules.

She presented the changes and updates the
Commission had requested at the April meeting. She
also presented for consideration proposed amendments
to WAC 390-37-060 (Enforcement procedures –

Investigation of complaints – initiation of hearing (adjudicative proceeding).

The Commission discussed and reviewed the proposed amendments.

Ms. Krier will next send the draft amendments to the Office of the Code Reviser in preparation for the Commission's final review of the proposals at the June 28, 2012 Commission meeting. Staff proposed a public hearing on the rule amendments at the Commission's August 2012 meeting.

Emergency rules re: 2012
legislative changes

Lori Anderson presented, for consideration by the Commission, proposed amendments to rules implementing Chapters 202 and 226, Laws of 2012 (HB 2210 and HB 2499). These rules pertain to contribution limits and political advertising disclosure requirements. Staff recommended emergency rules be adopted prior to the rules moratorium that goes into effect June 30, 2012 prior to each election.

Staff also recommended that the Commission consider approving the draft language presented for permanent rule making.

WAC 390-05-400 Changes in dollar amounts.

Staff recommended inserting language into WAC 390-05-400 so that school board candidates will have a \$900 limit that will align with all other candidates.

Motion 12-38

Moved by Commissioner Joly, seconded by Commissioner Ranade that:

The Commission adopt on an emergency basis the proposed amendments to WAC 390-05-400 to take effect July 7, 2012, and that the Commission begin simultaneous rule making for permanent adoption of the same amendments.

The motion passed unanimously.

WAC 390-18-010 Political advertising – Identification of sponsor.

Ms. Anderson continued with a review of the proposed amendments to WAC 390-18-010 and WAC 390-18-025.

WAC 390-18-025 Political advertising – Identification of "top five contributors".

Staff offered options for the Commission consideration regarding WAC 390-18-010 and whether or not to include language addressing prorating or aggregating the cost of certain ads when calculating whether a political advertisement regarding a ballot measure meets the \$1,000 threshold in the new law that triggers the sponsor ID requirements.

The Commission requested staff to gather more

information of the legislature's intent in passing HB 2499 in preparation for further discussion at June Commission meeting.

Staff recommended the Commission adopt the proposed amendment to WAC 390-18-025 on an emergency basis effective July 7, 2012 and recommended approval of the draft language for permanent rule making.

Motion 12-39

Moved by Commissioner Ranade, seconded by Commissioner Joly that:

The Commission adopts on an emergency basis the proposed amendments to WAC 390-18-025 to take effect July 7, 2012, and that the Commission begin simultaneous rule making for permanent adoption of the same amendments.

The motion passed unanimously.

Reporting Modification – New

Beverly Grant, Superior Court Judge, Pierce County

Judge Grant is requesting a reporting modification that would exempt her from disclosing income, assets, liabilities, and business interests of her former spouse, Artis Grant.

Commissioner Ranade recused himself.

Kristin Murphy presented Beverly Grant's request for a new reporting modification.

Ms. Murphy stated that Judge Grant is requesting a reporting modification that would exempt her from disclosing income, assets, liabilities, and business interests of her former spouse.

She also stated that Judge Grant has no access to her former spouse's financial information.

Motion 12-40

Moved by Commissioner Clements, seconded by Commissioner Joly that:

The Commission grant the partial reporting modification as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Reporting Modification – Renewal
(with change)

Steven Hill, Director, Department of Retirement Systems

Kristin Murphy presented Steven Hill's request for renewal of his reporting modification.

Ms. Murphy stated that Mr. Hill re-joined the Board of Directors for the Seattle Symphony in 2011. He is requesting a renewal of his reporting modification that would exempt him from reporting the business and other governmental customers who paid \$10,000 or more

during 2011 to the Seattle Symphony.

Motion 12-41

Moved by Commissioner Joly, seconded by Commissioner Ranade that:

The Commission grant a partial reporting modification to Steven Hill as amended, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Matthew Williams, District Court Judge, King County

Ms. Murphy presented Matthew Williams's request for renewal of his reporting modification.

Ms. Murphy stated that Judge Williams is requesting a renewal of his reporting modification, with change to reflect that Safeco/Liberty Mutual is no longer a reportable entity for Judge Williams and therefore no longer needs a reporting modification for this entity.

Motion 12-42

Moved by Commissioner Joly, seconded by Commissioner Ranade that:

The Commission grant a partial reporting modification to Matthew Williams as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Reporting Modification – Renewal (no change)

- *William H. Chapman*, Chair, Recreation and Conservation Funding Board
- *David B. Johnston*, School Board Member, Snohomish School District
- *Kathleen M. O'Sullivan*, Commission Member, Commission on Judicial Conduct

Ms. Murphy presented the following requests for renewal of reporting modifications, with no change: William Chapman, David Johnston, Kathleen O'Sullivan, Laura Inveen, and Nancy Whitten.

Motion 12-43

Moved by Commissioner Joly, seconded by Commissioner Ranade that:

The Commission grant partial reporting modifications to William H. Chapman, David B.

Johnston, and Kathleen O'Sullivan as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

- *Laura Inveen*, Superior Court Judge, King County
- *Nancy Whitten*, City Council member, City of Sammamish

Motion 12-44

Moved by Commissioner Joly, seconded by Commissioner Ranade that:

The Commission grant partial reporting modifications to Laura Inveen and Nancy Whitten as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicants and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

- *Francois Forgette*, Regent, Washington State University

Motion 12-45

Moved by Commissioner Joly, seconded by Commissioner Ranade that:

The Commission grant a partial reporting modification to Francois Forgette as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

- *Marc Daudon*, Executive Board Member, Energy Northwest

Motion 12-46

Moved by Commissioner Joly, seconded by Commissioner Ranade that:

The Commission grant a partial reporting modification as to Marc Daudon as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

- *Kristianne Blake*, Regent,
University of Washington

Motion 12-47

Moved by Commissioner Joly, seconded by
Commissioner Ranade that:

The Commission grant a partial reporting modification to Kristianne Blake as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

- *Jeffrey H. Brotman*, Regent,
University of Washington

Motion 12-48

Commissioner Ranade recused himself.

Moved by Commissioner Joly, seconded by
Commissioner Clements that:

The Commission grant a partial reporting modification to Jefferey Brotman as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

- *Norman Gutzwiler*,
Commissioner, Chelan County
Public Utility District

Motion 12-49

Moved by Commissioner Joly, seconded by
Commissioner Ranade that:

The Commission grant a partial reporting modification to Norman Gutzwiler as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

- *Jennifer Joly*, Commission
Member, Public Disclosure
Commission

Motion 12-50

Commissioner Joly recused herself.

Moved by Commissioner Clements, seconded by

Commissioner Ranade that:

The Commission grant a partial reporting modification to Jennifer Joly as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

- *Orin C. Smith, Regent,
University of Washington*

Motion 12-51

Moved by Commissioner Joly, seconded by Commissioner Ranade that:

The Commission grant a partial reporting modification to Orin Smith as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

- *Linda C.J. Lee, Superior Court
Judge, Pierce County*

Motion 12-52

Moved by Commissioner Joly, seconded by Commissioner Ranade that:

The Commission grant a partial reporting modification to Linda Lee as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Executive Session/Working Lunch

The Commission went into executive session at 12:13 p.m. to discuss pending and potential litigation with legal counsel.

The Commission returned to public session at 1:10 p.m.

Enforcement

Tom Stiger and 2009 Tom Stiger Campaign, PDC Case 12-139, involving alleged violations of:

- *RCW 42.17.080 and 42.17.090
by failing to timely disclose*

Phil Stutzman summarized the complaint and presented the Stipulation as to Facts, Violations, and Penalty involving Tom Stiger, a candidate for Port of Everett Commissioner in 2009. Mr. Stiger was present at the hearing.

expenditures totaling \$19,000, in-kind contributions totaling \$4,700, and monetary contributions totaling \$5,529; and

- RCW 42.17.3691 by failing to timely file reports of contributions and expenditures electronically.

Motion 12-53

Overview of Brief Adjudicative Proceeding (Group Enforcement)

Staff Reports

Executive Director

Chief Information Technology Officer

General Counsel

Election of 2012-2013 Officers

Motion 12-54

Mr. Stutzman presented an overview of the filings and campaign history of Mr. Stiger. He noted that the focus of these allegations relate to the 2009 election.

Staff recommended that the Commission accept the stipulation and assess a penalty of \$3,000 with \$2,000 suspended.

Mr. Stiger agreed with the stipulation, and stated that he appreciated the staff's assistance through this process.

Moved by Commissioner Joly, seconded by Commissioner Ranade that:

The Commission approves the Stipulation as proposed.

The motion passed unanimously.

Kurt Young presented an overview of the components and processes involved in Brief and Group Enforcement hearings.

Ms. Doyle stated that the House General Government Appropriations and Oversight Committee staff has contacted her and they will be touring the PDC on June 4th.

They are interested in visiting a number of state agencies and are planning local tours in an effort for the legislative committees to reduce the interim travel cost.

She will report to the Commission at the June meeting.

Ms. Doyle also noted the positive comments and feedback received in regards to the launch of the new Lobbyist Query System.

In addition to his monthly staff report, Michael Smith discussed the recent launch of the new Lobbyist Query System.

Ms. Krier stated that Maurice King is volunteering as the PDC summer Law Clerk and will be eligible to receive law school credit for his work at the PDC. This is the first time the PDC has participated in an externship program, and Ms. Krier will keep the Commission up to date on how the program works.

Commissioner Clements nominated Commissioner Joly to serve as Chair during the 2012-2013 term.

Moved by Commissioner Clements, seconded by Commissioner Ranade that:

Commissioner Jennifer Joly serve as Chair of the

Commission during the 2012-2013 term as nominated.

The motion passed unanimously.

Commissioner Ranade nominated Commissioner Barry Sehlin to serve as Vice Chair during the 2012-2013 term.

Motion 12-55

Moved by Commissioner Ranade, seconded by Commissioner Joly that:

Commissioner Barry Sehlin serve as Vice Chair of the Commission during the 2012-2013 term.

The motion passed unanimously.

Adjournment

Chair Sehlin adjourned the meeting at 1:55 p.m.

Approved by the Commission on June 28, 2012.